

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF INDIANA
INDIANAPOLIS DIVISION

AIMCO MICHIGAN MEADOWS)
HOLDINGS, LLC,)
)
Plaintiff,) Case No. 1:05-cv-0088-LJM-WTL
)
v.)
)
GENUINE PARTS COMPANY,)
)
Defendant.)

**SETTLEMENT AGREEMENT, INDEMNIFICATION,
AND MUTUAL RELEASE**

This Settlement Agreement, Indemnification, and Mutual Release ("Agreement") is hereby made and entered into as of the dates specified below, by and between AIMCO Michigan Meadows Holdings, LLC, ("AIMCO") on the one hand, and Genuine Parts Company ("Genuine") on the other.

Recitals

1. AIMCO owns a 253-unit apartment complex named Michigan Meadows Apartments ("Apartments") at 3800 West Michigan Street, Indianapolis, Indiana.
2. AIMCO also owns a 6-unit commercial building named Michigan Plaza ("Plaza") at 3801-3823 West Michigan Street, Indianapolis, Indiana. A dry cleaning operation known as Accent Cleaners formerly operated at the Plaza.
3. Genuine, as a successor-by-merger to BHT Corporation, voluntarily undertook responsibility for soil and groundwater contamination caused by BHT as owner of property located at 700 North Olin Avenue, ("Genuine Site") that neighbors the Apartments. BHT

operated a carburetor and brake re-manufacturing facility on the Genuine Site.

4. AIMCO filed a complaint against Genuine, Case No. 1:05-cv-0088-LJM-WTL in the United States District Court, Southern District of Indiana ("Federal Case") alleging that contamination from the Genuine Site had migrated to the Apartments and caused damages.

5. Genuine applied for and was accepted into the Voluntary Remediation Program ("VRP"), with the Indiana Department of Environmental Management ("IDEM") to remediate the environmental contamination at the Genuine Site, VRP Project No. 6991004.

6. AIMCO has challenged Genuine's Remediation Work Plan ("RWP") submitted under the VRP with the Indiana Office Environmental Adjudication, Cause Number 05-S-J-3527 ("Administrative Case").

Agreement

For good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

1. Settlement Payments. In settlement of the Federal Case and the Administrative Case, the parties have agreed that Genuine shall pay the sum of \$1,500,000 to AIMCO. Payment shall be due four weeks after the execution of the Agreement by all parties. If any amounts to be paid under this paragraph are not made on or before their respective due date set forth in this Paragraph, then interest will commence and accrue on the unpaid balance at the rate of 10% per annum, in addition to any and all other remedies that may be available to AIMCO to enforce the terms of this Agreement.

2. Mutual Release of Claims. AIMCO on behalf of itself, its insurers, employees, subsidiaries, parent companies, agents, successors, and assigns, on the one hand, and Genuine, on behalf of itself, its insurers, employees, subsidiaries, parent companies, agents, successors,

and assigns, on the other, hereby release all claims of any kind or nature that either may have against the other, its successors, assigns, subsidiaries, parent companies, agents, employees, insurers, and management companies, including any claims that have been asserted or could have been asserted against the other as of the effective date of this Agreement. This mutual release specifically includes all claims that were asserted or could have been asserted in connection with the Federal Case or the Administrative Case. The parties specifically exclude from this release any future claims that may be brought pursuant to the indemnification Agreement outlined in Section 3 below.

3. **Indemnifications.** Genuine, its subsidiaries, parent companies, successors, and assigns (below collectively referred to as "Genuine Parts Company"), further agrees to provide AIMCO, its insurers, employees, parent companies, subsidiaries, agents, successors, assigns, management companies, and any future legal owner (for purposes below referred to as "Owner") of the Apartments the following indemnification. Genuine Parts Company will indemnify, hold harmless, and defend AIMCO or any Owner against any environmental investigation, remediation or toxic tort action, claim, lawsuit or inquiry brought by a local, state, or federal agency, or any other individual or entity allegedly harmed by any water, soil, or air contamination, caused by the former carburetor and brake re-manufacturing facility and emanating from the Genuine Site. This indemnification shall run with the land. AIMCO or any Owner may bring an indemnification claim in any Court of competent jurisdiction.

AIMCO, its subsidiaries, parent companies, successors, and assigns (below collectively referred to as "AIMCO"), further agrees to provide Genuine, its insurers, employees, parent companies, subsidiaries, agents, successors, assigns, management companies, and any future legal owner (for purposes below referred to as "Owner") of the Apartments the following

indemnification. AIMCO will indemnify, hold harmless, and defend Genuine Parts Company or any Owner against any environmental investigation, remediation or toxic tort action, claim, lawsuit or inquiry brought by a local, state, or federal agency, or any other individual or entity allegedly harmed by any water, soil, or air contamination, caused by the former Accent Dry Cleaners dry cleaning operation and emanating from the Plaza. This indemnification shall run with the land. Genuine Parts Company or any Owner may bring an indemnification claim in any Court of competent jurisdiction.

4. Voluntary Remediation Plans. Genuine will take such steps as may be reasonably necessary to assure that the covenant not to sue issued as a result of successful completion of Genuine's voluntary remediation plan under IDEM VRP Project No. 6991004 will formally attach to and run with both the Genuine Site and all portions of the Apartments impacted by the contamination from the Genuine Site. AIMCO will apply to IDEM to have the contamination from the Plaza property caused by the former tenant, Accent Dry Cleaners, accepted under a Voluntary Remediation Plan, and will draft a Remediation Work Plan to be submitted to IDEM for approval. AIMCO will take such steps as may be reasonably necessary to assure that the covenant not to sue issued as a result of successful completion of its voluntary remediation plan will formally attach to and run with both the Plaza and all portions of the Apartments impacted by the contamination from the Plaza. The parties intend that (1) Genuine will be responsible for contamination emanating from the Genuine Site; (2) AIMCO will be responsible for contamination emanating from the Plaza; and (3) each party will make best efforts to obtain certificates of completion and covenants not to sue with respect to the Apartments for contamination emanating from its respective site.

5. **Deed Restriction on Groundwater Wells.** AIMCO agrees to place and properly record a deed restriction on the Apartments and the Plaza prohibiting the use of groundwater wells. This deed restriction shall run with the land and bind all successors in interest.

6. **Dismissal of Actions and Retention of Jurisdiction.** Upon execution of the Settlement Agreement and receipt of payment, AIMCO shall dismiss both the Federal Case and Administrative Case with prejudice. Each party is to bear its own costs and attorneys fees in connection with the Federal Case and the Administrative Case. In the event that any action or proceeding is hereafter brought to enforce or construe the terms of this settlement agreement, the prevailing party shall be entitled to recover reasonable attorneys' fees and costs. Until dismissal the Court in the Federal Case shall retain jurisdiction to enforce the terms of this Agreement.


7. **No Transfer of Claims; Authority to Bind.** The Parties represent and warrant that they each have the full power and authority to enter into and perform this Agreement, according to its terms, that they have not assigned, transferred, subrogated or purported to assign, transfer or subrogate any claims or cause of action being settled or resolved herein; and that the undersigned signatory is authorized to enter into this Agreement.

8. **Entire Agreement; Subject Headings; Counterparts.** This Agreement constitutes the complete understanding between the Parties with respect to the subject matter hereof, and there are no other promises, covenants, conditions, limitations, representations or warranties other than those expressly stated herein. Section headings in this Agreement are included for convenience of reference only and shall not be considered part of this Agreement for any other purpose. No promises or agreements made by the Parties subsequent to the execution of this Agreement shall be binding unless reduced to writing and signed by authorized representatives of the Parties. This Agreement may be executed in multiple counterparts and

shall be fully effective as if all parties executed contemporaneously.

9. **Governing Law.** The Parties consent to the Court's retention of jurisdiction over this Agreement and any claims brought pursuant to, or to enforce the terms of, or related to, this Agreement shall be brought in any Court of Competent jurisdiction, and shall in all respects be interpreted, enforced, and governed by the laws of the State of Indiana. The terms of this Agreement were drafted and approved by the parties and their counsel, and any rule of construction favoring the drafter of the agreement shall be inapplicable.

GENUINE PARTS COMPANY

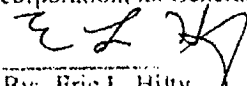
By: 
Scott C. Smith
Its: Senior Vice President and
Corporate Counsel
Dated: October 24, 2006

Approved as to form:

By: 
BAKER AND DANIELS LLP

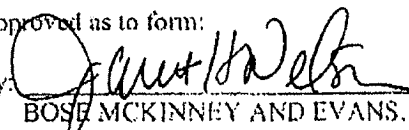
Dated: 11/8/06

**AIMCO Michigan Meadows Holdings,
LLC**
Through its managing member AIMCO
Properties, L.P., a Delaware limited
partnership

By: AIMCO-GP, Inc., a Delaware
corporation, its General Partner

By: Eric L. Hilty
Its: Senior Vice President and
Assistant General Counsel

Dated: _____

Approved as to form:

By: 
BOSE MCKINNEY AND EVANS, LLP

Dated: October 31, 2006